



THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
THE PHARM-BIOTECHNOLOGY AND TRADITIONAL MEDICINE CENTER
EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE
II PROJECT
FOR THE YEAR ENDED 30TH JUNE 2018

OFFICE OF THE AUDITOR GENERAL
UGANDA

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LIST OF ACRONYMS

Acronym	Meaning
F/Y	Financial Year
ACE	Academic Center of Excellence
ANAMED	Action for Natural Medicine-Anamed International
DLI	Disbursement Linked Indicators
DLR	Disbursement Linked Results
GOU	Government of Uganda
IDA	International Development Association
INTOSAI	International Organization of Supreme Audit Institutions
ISSA	International Standards on Auditing
IUCEA	Inter University Council of East Africa
MDA	Ministry, Department, and other Agencies
MOES	Ministry of Education and Sports
MoFPED	Ministry of Finance, Planning and Economic Development
PFMA	Public Finance Management Act, 2015
PHARMBIOTRAC	Pharm-Biotechnology and Traditional Medicine Centre
PPDA	Public Procurement and Disposal of Public Assets Authority
TI	Treasury Instructions
UGX	Uganda Shillings
USD	United States Dollars

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF
PHARM-BIOTECHNOLOGY AND TRADITIONAL MEDICINE CENTER
EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE
II PROJECT/CREDIT NO. 5797-UG FOR THE FOR THE YEAR ENDED 30TH JUNE, 2018

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying financial statements of the Pharm-Biotechnology and Traditional Medicine Center (Pharmbiotrac) for the year ended 30th June 2018. These financial statements comprise of the Statement of sources and uses of funds, Statement of reimbursable Eligible Expenditure Programs, a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial statements of the PHARMBIOTRAC for the year ended 30th June 2018 present fairly in all material respects, the financial position of the Centre as at 30th June 2018 and its financial performance and fund balance for the period then ended, in accordance with the Section 51(1) of the Public Finance Management Act, 2015, The Financing agreement and the World Bank guidelines.

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement's section of my report. I am independent of the Project in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

- **Budget Implementation and performance**

Section 45 (3) of the Public Finance Management Act, 2015 states that " An Accounting Officer shall enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a Financial year, submitted under section 13 (15)" of the said Act. It has been observed over years that planned and budgeted for activities of a number of Government entities are not implemented thereby affecting service delivery.

In the overall office wide planning, I assessed risks of inadequate release of funds, and failure to undertake budget monitoring and supervision that are likely to be the causes of failure to implement entity planned activities. The focus was put on the planned major outputs of the entities which greatly impact on the wellbeing of communities.

Consequently, I developed specific audit procedures which included the evaluation of the financial and annual physical performance by analysing government releases, testing consistency of planned outputs with the approved budget and verifying the accuracy and completeness of the reported actual outputs.

During the period under review although the project received USD.1, 184,915 to undertake project activities, it was only able to use USD. 902,812 (76.2%) resulting into an under absorption of USD.282,102 (23.9%).

As a result planned activities such as procurements of analytical laboratory equipment, payment of Journal publication fees, regional bench marking trips to other Academic centers of excellence and staff attachments to foreign laboratories were not implemented.

Management explained that funds were availed late and therefore the time to implement all planned activities was limited.

I advised the accounting officer to liaise with the World Bank to ensure timely disbursement of funds.

Emphasis of matter

Without qualifying my opinion, I draw attention to the following matter disclosed in the financial statements that in my judgement, is of such importance and fundamental to users' understanding of the financial statements.

- **Unapproved Expenditure**

The statement of sources and uses of funds shows that USD.55,724 was received as external revenue under the HIV-study Project ANAMED Fund of which USD.38,793 was spent during the year. However I noted that the expenditures made under this extra sourced income were not included in the approved work plan and were therefore not authorized by the World Bank contrary to section 1(B) (3) of Schedule 2 of the financing agreement.

I explained to the accounting officer that use of funds without the necessary approvals can result into misuse and or loss of funds.

Management explained that generating extra revenue is one of the key disbursement linked results of the project and the center only needs to show proof of receipt of the revenue to the responsible stake holders without necessarily requiring their authorization to spend the revenue.

I advised the accounting officer to ensure that all project expenditures and revenues are duly approved and authorized in line with the funding agreements.

- **Overpayment of Allowances**

I noted that during the year the project paid out UGX. 501,843,354 as domestic subsistence allowance to several individuals to undertake project activities at a rate of USD.100 per day contrary to the University local and foreign travel rates resulting into excess payments worth UGX. 234,928,300.

Payment of rates different from those prescribed by the University not only contravenes the provisions of the Project Appraisal Document and the funding agreement but it could also attract penalties from the World Bank which may affect the continuity of the project.

Management explained that the payment of the rate was based on the need to attract high quality consultants and stake holders cognizant of the high cost of living. This was also paid in order to motivate the staff engaged in the project.

I advised the accounting officer to ensure that the project management team complies with all the provisions of the funding agreement.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities of the Accounting Officer and the commentaries by the Head of Accounts and the Accounting Officer, and other supplementary information. The other information does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Accounting Officer for the Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015, the Accounting Officer is accountable to Parliament for the funds and resources of the Pharmbiotrac Project.

The Accounting Officer is also responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act 2015, and the World Bank Financial Guidelines, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Project's ability to continue delivering its mandate, disclosing, as applicable, matters related to the delivery of the Project Development Objective, and using the World Bank Financial guidelines unless the Accounting Officer has a realistic alternative to the contrary.

The Accounting Officer is responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the project's ability to deliver its Project Development Objective. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Project to fail to deliver its Project Development Objective.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with sections 19(1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements that:

Except for the matters raised in compliance with legislation below, and whose effect has been considered in forming my opinion on the financial statements, the activities, financial transactions and information reflected in the financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and Scope

In accordance with sections 13 of the NAA, 2008, I have a responsibility to report material findings on the compliance of the Pharmbiotrac project with specific matters in key legislations. I performed procedures to identify findings but not to gather evidence to express assurance. The material findings in respect of the compliance criteria for the applicable subject matter are as follows;

- **Lack of Strategic Supervision of the Project**

I noted that the National Project Steering Committee did not convene during the year to provide strategic leadership to the project contrary to the requirements of the performance and funding agreement. I further noted that, the University project steering committee which is required to meet at least once each quarter met only once during the year.

I explained to the accounting officer that failure by the project steering committees to perform their specified roles creates a leadership and supervision gap where by the project implementation team left alone may not achieve the overall strategic goals as envisaged at project formulation.

The Accounting officer explained that constitution and operation of the National Steering Committee is the role of the National Focal Person in the Ministry of Education and Sports on whom he has no influence.

It was further explained that the delay in appointment of the University project steering committee was due to delayed release of initial funding by the World Bank.

I advised the accounting officer to liaise with the relevant stakeholders so as to ensure that the relevant committees are constituted and convene as required.



John F.S. Muwanga
AUDITOR GENERAL

17th December 2018



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT 11

**PHARM-BIOTECHNOLOGY AND TRADITIONAL MEDICINE CENTRE
(PHARMBIOTRAC)**

**FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
2017/18**



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

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MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

STATEMENT OF RESPONSIBILITY OF THE ACCOUNTING OFFICER

The Eastern and Southern Africa Higher Education Centers of Excellence project (ACE 11) Financing Agreement requires the recipient through MoE to maintain a financial management system in accordance with the provisions of section 4.09 of the General conditions. The recipient shall cause Mbarara University of science and Technology to have their financial statements audited in accordance with the provision of section 4.09(b) of the general conditions.

Management accepts the responsibility for the financial statements, which have been prepared using appropriate accounting policies in conformity with the financing agreement and in the manner required by the World Bank guidelines for financial reporting and auditing of ACE 11 financed activities. Management also accepts the responsibility for safeguarding the assets of the project against fraud and other irregularities. Management further accepts the responsibility for the maintenance of accounting records which have been used in the preparation of the financial statements as well as adequate systems of internal financial control.

Financial statements have been prepared on cash basis accounting and comply with the generally accepted accounting practice for the public sector.

Nothing has come to the attention of management to indicate that any breakdown in the functioning of these controls resulting in loss of project funds has occurred during the year.

Management accepts the responsibility that the Project funds have been expended in accordance with the intended purposes as specified in the financing Agreement.

MELCHOR BYAMUKAMA 

Accounting Officer (Names & Signature)

Date

14-12-2018



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The Eastern and Southern Africa Higher Education Centers of Excellence (ACE II) project supports the governments of eight participating countries – Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda, and Zambia in strengthening the selected ACEs to deliver quality post-graduate education and build collaborative research capacity in the regional priority areas. In Uganda, the project is implemented by the MoES through Makerere University (MUK) with two centers, Uganda Martyrs University (UMU) and Mbarara University of Science and Technology (MUST).

THE PROJECT DEVELOPMENT OBJECTIVE

The Project Development Objective (PDO) is 'To strengthen selected Eastern and Southern African higher education institutions to deliver quality post-graduate education and build collaborative research capacity in the region priority areas.'



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

December 13, 2018

PHARMBIOTRAC BACKGROUND

Key Development Challenges Addressed by PHARMBIOTARC

Pharm-Biotechnology and Traditional Medicine Centre (PHARMBIOTRAC) is an 'Africa Centre of Excellence (ACE II)' programme at Mbarara University of Science & Technology (MUST) established with funding from the World Bank. The centre aims at strengthening quality of postgraduate training in Eastern and Southern Africa. To achieve this, PHARMBIOTRAC is trying to train and raise a critical mass of specialized and skilled human capital that can use multidisciplinary and transdisciplinary approach to advance traditional medicine and pharmaceutical biotechnology in Africa in order to address one of the key development challenges facing Africa, i.e. low life expectancy and productivity compared to other continents, majorly due to a high burden of both communicable and non-communicable diseases. The centre hopes achieve this by use of Africa's rich biodiversity that forms the continent's natural wealth. Implementing the day to day activities of the centre is the responsibility of The Director/Centre Leader of PHARMBIOTRAC and deputized by the Deputy Director/ Centre Leader who is also Principal Investigator of PHARMBIOTRAC. They coordinate the centre's activities in collaboration with several other stakeholders- national, regional and international institutions (including academia, industry and private sector) with MUST as the lead implementing institution.

Goal: To build a critical mass of specialized and skilled human resource that can advance traditional medicine and Pharm-Biotechnology for socio-economic development of Africa.

Vision: To be a leading African Centre of Excellence for training and research in traditional medicine and Pharm-Biotechnology.

Mission: To contribute to documentation, validation and value chain development of traditional medicine and biotechnology products for use in pharmaceutical and nutraceuticals industries in the region through higher degree training, research and community services for sustainable development.

PHARMBIOTRAC Governance Structure

PHARMBIOTRAC Steering Committee: The Steering Committee (SC) is the overall decision making organ of the centre which is an equivalent of a board comprising 13 persons and the members are expected to provide an independent advice and external review on the scope, strategic planning and implementation of PHARMBIOTRAC's governance systems, structures, roles and activities, which are directed towards 'building a critical mass of specialized and skilled human resource that can advance traditional medicine and Pharm-Biotechnology for socio-economic development of Africa'. SC members were selected from key PHARMBIOTRAC partners coming from line ministry, industry, private sector, research institutes and universities. It is chaired by the Vice Chancellor of MUST who reports the proceedings of PHARMBIOTRAC SC activities directly to the University Senate and to the University Council with the PHARMBIOTRAC Leadership as the secretariat.



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International Scientific Technical Advisory Board (ISTAB): PHARMBIOTRAC also has ISTAB comprising 7 persons and members provide an independent advice and external review on the scope, strategic planning and implementation of PHARMBIOTRAC's scientific and technical activities as well as providing technical guidance and oversight to PHARMBIOTRAC management in matters pertaining quality of PHARMBIOTRAC's research and learning activities, capacity building and global partnerships aimed at shaping the vision of the centre. ISTAB members meet once every year at MUST to execute their duty, and were selected from internationally recognized professionals from various fields who are leading thinkers in scientific and technical advisory services.

Main Achievements and Highlights

- 2 New Programs (MSc. Clinical Pharmacy and MSc. Pharmacognosy and Natural Medicine) successfully developed and accredited by NCHE and students enrolled on each of them
- 1 New Program (MSc. in Pharmaceutical Analysis) developed and awaiting senate and council approval before submission to NCHE for National accreditation
- 1 short course (Certificate in Traditional/herbal Medicine) was successfully developed (and will soon be advertised) to enroll students
- Enrolled 47 MSc students and 26 PhD students on PHARMBIOTRAC programmes
- 8 MoUs signed with national, regional and international partners (including academia, industry and private sector)
- 3 Academic staff and 2 students placed in institutions/industries internationally
- 3 Professors and 6 students from partner institution in USA, Sudan, hosted at PHARMBIOTRAC/ MUST for 1 month and 3 weeks respectively
- Attracted 5 scholarships every year for Clinical Pharmacy Masters Program from the Ministry of Health, Uganda)
- 3 Professors of Clinical Pharmacy attracted (3years) USA, Ethiopia and Uganda recruited and are teaching at PHARMBIOTRAC
- 13 Publications in peer reviewed journals 13 Students/staff presented at conferences
- 2 Project Vehicle procured
- Benchmarked best practices at regional and international institutions
- 3 Personnel seconded and sent for Postgraduate training at partner ACE institution (University of JOS, ACEPRD).
- 7 students placed in partner institutions/ industries (Uganda, Kenya, Malawi, India, USA and S. Korea)
- Attracted additional funding from ANAMED International (Germany), and SNV (Netherlands)

Challenges and/or Reflections

- Delayed verification exercise of DLIs / DLRs to access next disbursement
- Challenge of motivating some university staff to participate in the program due to lack of financial compensation for extra workload done for PHARMBIOTRAC
- Delay in completion of procurement process due to government bureaucracy
- High price variations of items during procurement far beyond what was budgeted for during project proposal write-up and approval.



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- Overload on a few faculty willing to sacrifice even without salary top up. However, this is being mitigated through support from partner universities in the region most of whom are co-supervising PhD students and teaching at MSc classes.

Thank you.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Casim Umba Tolo", written over a horizontal line.

Dr. Casim Umba Tolo

DIRECTOR/ CENTRE LEADER, PHARMBIOTRAC



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STATEMENT OF SOURCES AND USE OF FUNDS

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY		
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (126974)		
PHARM-BIOTECHNOLOGY AND TRADITIONAL MEDICINE CENTRE		
Statement of Sources and Uses of Funds		
for the period ending 30th June 2018		
Sources of Fund	Semi-Annual Period ending 30th June 2018	Cummulative for Financial Year End 30th June 2018 (12 months)
Opening Cash Balance		
Government Funds		-
World Bank IDA Funds	870,632	-
Student Fees	-	-
Others-HIV Study Project	42,698	-
Total	913,330	
Add Receipts		
Government Funds	-	
World Bank IDA Funds	-	1,127,696
Student Fees	-	1,495
Others-HIV Study Project	-	55,724
Total Financing		1,184,915
Less: ACE Expenditure as per Project Implementation Plan		
Expenditure Classification 1 PHARMBIOTRAC-IDA Fund	605,461	864,019
Expenditure Classification 2 (HIV Study Project)-ANAMED Fund	25,767	38,793
Total Uses of Funds by Components	631,228	902,812
Closing Balances	282,102	282,102
Bank of Uganda	226,036	226,036
Balance as per bank statement (0102808265800)	31,984	31,984
balance as per bank statement (8702808265800)	24,082	24,082
Total Closing Cash Balance	282,102	282,102

Accounting officer

Date: 14-12-2018

Finance Director

Date: 14/12/2018



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USE OF FUNDS (BREAKDOWN) FOR PERIOD ENDING 30 JUNE 2018

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY - PHAMBIOTRAC PROJECT									
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT									
Uses of Funds (Breakdown)									
for period ending 30 June 2018									
(USD or FCFA)									
Expenditure	Semi-Annual Period ending Jan-30th June 2018			Cumulative for Financial Year End 30th June 2018 (12 Months)			Explanation of Variance	PAD /Life of Project	Revised PAD
	Actual	Planned	Variance	Actual	Planned	Variance			
Expenditure Classification 1 as per Project Implementation Plan									
5.1 Action Plan for Learning Excellence									
5.1.1	Benchmarking visits (India)	4,634	35,360	30,726	31,799	35,360	3,561	Less number travelled as per budget	
5.1.2	Benchmarking visits (South Africa)	31,088	29,290	(1,798)	31,088	29,290	(1,798)	There was an under Estimate in the Cost of the Air tickets due to price changes at the time of Budget.	
5.1.3	Benchmarking visits (USA)	38,890	37,995	(895)	38,890	37,995	(895)	There was an under Estimate in the Cost of the Air tickets due to price changes at the time of Budget.	



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5.1.4	Establishment of learning teams	-	1,000	1,000	0	1,000	1,000	Waiting for New masters students in August		
5.1.5	Installation of ICT systems for learning	-	10,000	10,000	0	10,000	10,000	The contract been awarded to suppliers waiting for execution.		
5.1.6	Curriculum development (Short courses MSc & PHD)	4,280	20,400	16,120	22,758	20,400	(2,358)	There was an under estimate in the cost of developing the curricula as more activities were involved which were not foreseen at the time of Budget.		
5.1.7	Curriculum accreditation (Fast Track fees)	15,858	16,000	142	15,858	16,000	142	The process of curriculum accreditation is being finalised.		
5.1.8	Students Hand Books (PHD & Masters)	-	340	340	0	340	340	Comes after curriculum is concluded		
5.1.9	Learning materials (lecturers reference materials, demonstration materials etc.)	-	6,000	6,000	0	6,000	6,000	Comes after curriculum is concluded		
5.1.10	Upgrading Learning Facilities Pharmacy (production unit)	-	70,000	70,000	0	70,000	70,000	Ear marked for next Quarter waiting WB disbursement		
5.1.11	Lecture room upgrade	-	12,000	12,000	0	12,000	12,000	Ear marked for next Quarter		

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5.1.29	Student presentation at international conferences	1,022	-	(1,022)	1,022	0	(1,022)	Activity Planned for year 2. However it occurred in year 1 to be recovered from year 2 Budget.		
5.1.30	Community / Industry attachments (Masters)	1,365	6,900	5,535	1,365	6,900	5,535	Students placements still on going		
5.1.31	Community / Industry attachments (PhD)	1,800	6,800	5,000	1,800	6,800	5,000	Students placements still on going		
5.1.32	30 Seater Bus	578	50,000	49,422	578	50,000	49,422	contracts awarded awaiting WB disbursement		
5.1.33	Bus (fuel and maintenance)	-	7,200	7,200	0	7,200	7,200	contracts awarded awaiting WB disbursement		
5.1.34	Medical emergency fund / First Aid kit	-	1,000	1,000	0	1,000	1,000	Pending lab equipment installation.		
								Item was not budgeted for, but accommodation for international students became necessary		
5.1.35	Students accommodation	2,960	-	(2,960)	5,102	0	(5,102)			
	Sub Total	301,123	541,845	241,202	423,067	541,845	118,778			
Expenditure Classification 2 as per Project Implementation Plan										
5.2 Action Plan for Research Excellence										



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5.2.1	Research Policy and Plan draft development (Y1 development Y4 review)	-	4,620	4,620	0	4,620	4,620	There exists a research policy in the University, funds to be re-allocated to another activity.		
5.2.2	Research Policy and Plan finalisation (Y1 development Y4 review)	-	17,650	17,650	0	17,650	17,650	Activity planned for next quarter		
5.2.3	Staff attachments to foreign laboratories WPI (USA)	4,895	7,775	2,880	4,795	7,775	2,980	Done, costed less than planned to be re-allocated.		
5.2.4	Staff attachments to foreign laboratories IHST (India)	8,116	5,550	(2,566)	8,116	5,550	(2,566)	one extra staff sent		
5.2.5	Staff attachments to foreign laboratories KEMRI (Kenya)	-	15,600	15,600	0	15,600	15,600	Activity a waits Mou		
5.2.6	Staff attachments to foreign laboratories Gezira (Sudan)	-	16,050	16,050	0	16,050	16,050	Planned for next quarter		
5.2.7	Establishment of Living gene bank (Garden) - MUST	-	26,000	26,000	0	26,000	26,000	Process on going		
5.2.8	Staff research funds	-	15,000	15,000	0	15,000	15,000	calls for projects being made		
5.2.9	Staff participation in regional conference	2,100	14,550	10,590	3,960	14,550	10,590	Process on going		
5.2.10	Staff participation in international conference	-	17,600	17,600	0	17,600	17,600	Process on going		
5.2.11	Germplasm collection missions (MUST)	-	11,000	11,000	0	11,000	11,000	Process on going		



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5.2.12	Pharm-Biotech laboratory equipment purchase, installation, tear and wear	-	94,500	94,500	0	94,500	94,500	contracts awarded awaiting WB disbursement		
5.2.13	Product development laboratory, purchase, installation, tear and wear	578	188,600	188,022	578	188,600	188,022	contracts awarded awaiting WB disbursement		
5.2.14	Analytical Laboratory, purchase, installation, tear and wear	-	118,500	118,500	0	118,500	118,500	contracts awarded awaiting WB disbursement		
5.2.15	Journal Publication fee (Open Access)	-	12,500	12,500	0	12,500	12,500	Waiting for acceptance Invoices		
5.2.17	Monographs (Product Monographs)	-	6,000	6,000	0	6,000	6,000	Process on going		
5.2.18	Masters Seminars	-	1,860	1,860	0	1,860	1,860	Claim under process		
5.2.19	Doctoral Seminars	3,166	1,860	(1,306)	3,166	1,860	(1,306)	more PhD students admitted		
5.2.22	Supervision fee field (Masters) (3 days / semester)	-	3,000	3,000	0	3,000	3,000	will be done in the next placements		
5.2.23	Supervision fee fee (PhD) (3 days/ semester)	-	2,000	2,000	0	2,000	2,000	will be done in the next placements		
5.2.24	Joint follow up proposal development	7,552	-	(7,552)	7,552	0	(7,552)	received more calls than expected, expenditure was planned for year 2 however the call was received in year 1 to be		

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5.3.2	Chair Learning and Research Quality Assurance	-	660	660	0	660	660	Activities on going Baseline study proposed for next quarter.	
5.3.3	Tracer studies	-	3,000	3,000	0	3,000	3,000		
	Sub Total	-	7,660	7,660	0	7,660	7,660		

Expenditure Classification 4 as per Project Implementation Plan

5.4 ACE Action Plan regarding Equity Dimensions

5.4.1	Access audit	-	2,000	2,000	0	2,000	2,000	Securing consultant on going.	
5.4.2	Facility upgrade	-	4,000	4,000	0	4,000	4,000	Space allocation not concluded	
	Sub Total	-	6,000	6,000	0	6,000	6,000		

Expenditure Classification 5 as per Project Implementation Plan

5.5 ACE Action Plan for Attracting Academic Staff and Students from the Region

5.5.1	Dissemination of Research Policy to attract academic staff of the region	-	1,000	1,000	0	1,000	1,000	To Be done in the next quarter.	
5.5.2	Language learning support	-	3,000	3,000	0	3,000	3,000	Plan underway to recruit an English Teacher	
5.5.3	Recruited staff salaries (2 senior lecturers)	17,363	48,000	30,637	28,241	48,000	19,759	Recruited one lecturer, One more lecturer to be recruited in August	
	Sub Total	17,363	52,000	34,637	28,241	52,000	23,759		

Expenditure Classification 6 as per Project Implementation Plan



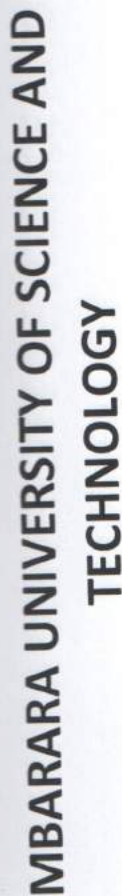
MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

5.6 ACE Action Plan for National and Regional Academic Partners									
5.6.1	Regional Visiting faculty members - Kenya	1,148	7,410	6,262	1,148	7,410	6,262	To be conducted in the next 6 months	
5.6.2	Regional Visiting faculty members - South Africa	-	7,410	7,410	0	7,410	7,410	To be conducted in the next 6 months	
5.6.3	Regional Visiting faculty members - Sudan	-	7,410	7,410	0	7,410	7,410	To be conducted in the next 6 months	
5.6.4	Regional Visiting faculty members - Mozambique	-	7,410	7,410	0	7,410	7,410	To be conducted in the next 6 months	
5.6.5	National Visiting faculty members - BSU	-	2,960	2,960	0	2,960	2,960	To be conducted in the next 6 months	
5.6.6	National Visiting faculty members - Makerere	1,501	3,260	1,759	1,501	3,260	1,759	To be conducted in the next 6 months	
5.6.7	National Visiting faculty members - UTAMU	-	3,260	3,260	0	3,260	3,260	To be conducted in the next 6 months	
5.6.8	National Visiting faculty members - Gulu University	-	3,460	3,460	0	3,460	3,460	To be conducted in the next 6 months	
5.6.9	Student attachment African Partner - KEMRI - Kenya	-	19,000	19,000	0	19,000	19,000	To be conducted in the next 6 months	
5.6.10	Student attachment African Partner - Gezira University - Sudan	-	21,000	21,000	0	21,000	21,000	To be conducted in the next 6 months	



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5.6.11	Establishment of Living gene bank (Garden) - BSU/GU	-	26,000	26,000	0	26,000	26,000	To be conducted in the next 6 months		
5.6.12	Germplasm collection maintenance (BSU)	-	4,060	4,060	0	4,060	4,060	To be conducted in the next 6 months		
5.6.13	Germplasm collection maintenance (Gulu University)	2,470	4,060	1,590	2,470	4,060	1,590	To be conducted in the next 6 months		
	Sub Total	5,119	116,700	111,581	5,119	116,700	111,581			
Expenditure Classification 7 as per Project Implementation Plan										
5.7 ACE Action Plan for National and Regional Sector Partners										
5.7.1	Community training kits	4,887	6,300	1,413	4,887	6,300	1,413	A waiting Curriculum		
5.7.2	Training Centre (Traditional Medical Practitioners) BUMETHA	-	10,000	10,000	0	10,000	10,000	A waiting Curriculum		
5.7.3	Training Centre (Traditional Medical Practitioners) IIACM	-	10,000	10,000	0	10,000	10,000	A waiting Curriculum		
5.7.4	Training Centre (Traditional Medical Practitioners) THETA-Uganda	1,292	10,000	8,708	1,292	10,000	8,708	A waiting Curriculum		
5.7.5	Training Centre (Traditional Medical Practitioners) ANAMED	-	10,000	10,000	0	10,000	10,000	A waiting Curriculum		
5.7.6	Training Centre (Traditional Medical	-	10,000	10,000	0	10,000	10,000	A waiting Curriculum		

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5.9.11	PHARMBIOTRAC Administrator	13,581	24,000	10,419	22,009	24,000	1,991	ongoing		
5.9.12	PHARMBIOTRAC Administrative Assistant	3,350	6,000	2,650	5,493	6,000	507	ongoing		
5.9.13	PHARMBIOTRAC Accountant	12,000	24,000	12,000	18,010	24,000	5,990	ongoing		
5.9.14	PHARMBIOTRAC Procurement Assistant / Secretary	3,173	6,000	2,827	4,994	6,000	1,006	ongoing		
5.9.15	Partner coordination / supervision visits regional (2 ppl)	14,462	17,880	3,418	14,462	17,880	3,418	ongoing	Error made in the payment and being corrected in subsequent months	
5.9.16	Driver	1,925	3,000	1,075	3,047	3,000	(47)			
5.9.17	Cleaner	1,248	2,400	1,152	1,991	2,400	409	ongoing	more files and stationery needed due higher number of students admitted	
5.9.18	Office supplies	3,095	1,800	(1,295)	3,530	1,800	(1,730)		was not planned in this year but IUCEA organised mandatory trainings	
5.9.19	Capacity building	12,345	-	(12,345)	19,087	0	(19,087)		Was not budgeted for but expenditure became	
5.9.20	In land travels	3,520	-	(3,520)	3,520	0	(3,520)			



Expenditure Classification 10 as per Project Implementation Plan



5.11 ACE Action Plan for Monitoring and Evaluation



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5.11.3	M&E Missions (internal)	-	4,000	4,000	0	4,000	4,000	Due for activation for the next 6 months		
	Sub Total	1,710	20,270	18,560	1,710	20,270	18,560			
	Grand Total Uses of Funds	605,461	1,870,876	1,263,955	864,019	1,870,876	1,008,821			


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Accounting officer

Date... 14-12-2018


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Finance Director

Date... 14/12/2018



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

STATEMENT OF REIMBURSABLE ELIGIBLE EXPENDITURE PROGRAMS (EEPS)

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY PHARM-BIOTECHNOLOGY AND TRADITIONAL MEDICINE CENTRE AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (126974) Statement of Reimbursable Eligible Expenditure Programs (EEPs) for the period ending 30th June 2018		
Eligible Expenditure Program (EEP)	Semi-Annual Period ending 30th June 2018	Cummulative for Financial Year End
EEP 1: Salaries	3,714,378	7,428,757
EEP 2: Non Procurable Expenditure as defined in Financing Agreement	504,506	762,039
Total EEPs	4,218,884	8,190,796
Note: Salaries for the University for the year 2017/2018 was Shs 27,178,106,396 Bn Salaries been converted at exchange Rate 3658.5		

MELCHER BYAMUKAMA 

Accounting officer (Name and Signature)

14-12-2018

Date



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

NOTES ANNEX

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY											
PHARM-BIOTECHNOLOGY AND TRADITIONAL MEDICINE CENTRE											
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (126974)											
NOTES ANNEX											
DISBURSEMENT LINKED TO INDICATORS	ACTIONS TO BE COMPLETED	STATUS OF ACTIONS COMPLETION	Max available units	Units archived	DLR unit Value	Total DLR value archived	Total DLR value Summary	AMOUNT ALLOCATED	EXPECTED EARNING	AMOUNT DISBURSED	UNDISBURSED BALANCE
DL11: Institutional readiness	DLR 1.1: To meet Conditions for Effectiveness	100%		1	600,000	600,000	600,000	600,000	600,000	600,000	-
	DLR 1.2: Development of detailed implementation	100%		1	500,000	500,000	500,000	500,000	500,000	500,000	-
	DLR 2.1: Timely annual implementation of the plans	0%	5	0	500,000	-	-	500,000	-	-	500,000
	DLR 2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African) students										
	Short Course: Female Ugandans (national)	54%		0	500	-		1,200,000	-	-	1,200,000
	Short Course: Male Uganan students			0	400	-			-	-	
	Short Course: Female regional (African) students			0	1,000	-			-	-	
	Short Course: Male regional (African) students			0	800	-			-	-	
	MSc: Female Uganan students			5	3,000	15,000			15,000		
	MSc: Male Uganan students			10	2,500	25,000			25,000		
	MSc: Female regional (African) students			3	5,500	16,500			16,500		
	MSc: Male regional (African) students			5	4,500	22,500			22,500		
	PhD: Female Uganan students			12	15,000	180,000			180,000		
	PhD: Male Uganan students			10	12,000	120,000			120,000		
	PhD: Female regional (African) students			4	30,000	120,000			120,000		
	PhD: Male regional (African) students			6	25,000	150,000	649,000		150,000		
DLR 2.3: Accreditation of quality of education programs (program internationally accredited)											
Program regionally accredited		25%		0	300,000	-		600,000	-	-	600,000
Program nationally accredited				0	150,000	-			-	-	
Program for self-evaluation				2	75,000	150,000			150,000		
DLR 2.4: Collaboration and partnerships for applied research and training (MoU with public institutions/civil society)				0	75,000	-	150,000		-		
MoU with private sector/ industry		100%		4	30,000	120,000		200,000	120,000	-	200,000
DLR 2.5: Peer-reviewed journals papers or peer-reviewed conference papers (paper accepted by a peer-reviewed journal)				2	40,000	80,000	200,000		80,000		
Accepted peer-reviewed conference paper		113%		10	30,000	300,000		300,000	300,000	-	300,000
				2	20,000	40,000	340,000		40,000		



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

DLI 2: Excellence in education and research capacity and development impact	DLP 2.6: Faculty and PhD student exchanges to promote regional research and teaching ("period" within the country)	14%			5,000	-		500,000	-		500,000
	Exchange "period" within the region		4	10,000	40,000			40,000			
	Exchange "period" for international		4	8,000	32,000	72,000					
	DLP 2.7: External revenue generation (National level)						900,000				900,000
	External revenue generation (International level)	25%	1	112,838	225,796	225,796			225,796		
	DLP 2.8: Institution participating in benchmarking exercise	0%	0	100,000	-		100,000				100,000
	DLP 3.1: Timely Withdrawal Application supported by financial reporting on the ACE account for the period	20%	5	15,000	15,000	15,000	75,000		15,000		75,000
	DLP 3.2: Functioning Audit Committee under the university council	20%	5	15,000	15,000	15,000	75,000		15,000		75,000
	DLP 3.3: Functioning internal audit unit for the	20%	5	15,000	15,000	15,000	75,000		15,000		75,000
	DLP 3.4: Transparency of financial management (audit reports, interim financial reports, budgets and annual work plan are all web accessible)	20%	5	15,000	15,000	15,000	75,000		15,000		75,000
DLI 3: Timely, transparent and institutionally reviewed Financial Management	DLP 4.1 Timely procurement audit report	20%	5	30,000	30,000	30,000	150,000		30,000		150,000
	DLP 4.2 Timely and satisfactory procurement progress report	20%	5	30,000	30,000	30,000	150,000		30,000		150,000
	Total in USD					2,856,796	6,000,000		2,856,796	1,100,000	4,900,000
Undisbursed balance in USD											4,900,000
Outstanding DLI to be requested for disbursement (144-K44) in USD											1,756,796

Accounting officer

Date: 14-12-2018

Finance Director

Date: 14/12/2018



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND PROCEDURES

The Accounting policies and Procedures of Pharm-biotechnology and Traditional Medicine center (PHARMBIOTRAC) are in accordance with the following;

- i) International Financial Reporting Standards,
- ii) The latest issue of the World Bank Financial Accounting Reporting and Audit Guidelines.

2. BASIS OF ACCOUNTING AND REPORTING

- i) The Accounting records and Financial Statements are prepared on a cash basis of accounting (in accordance with the International Public Sector Accounting Standards (IPSAS) issued by International Federation of Accountants (IFAC) and under the historical cost convention.
- ii) Financial transactions are recognized and recorded on cash basis.
- iii) Revenue is recognized when cash is received at the Bank of Uganda (BoU) and Standard Chartered Bank.
- iv) Project expenditures are recognized and recorded when payments are made to beneficiaries and not when the liabilities are created.
- v) Assets are expensed in full in the year of purchase, consistent with the cash basis of Accounting.

3. CURRENCIES

i) Foreign currency transactions

The functional currency for PHARMBIOTRAC is the United States Dollars (US\$), and as much as possible, the records of receipts and payments for the project shall be maintained in US Dollars (US\$), which is the currency of the Grant. In particular, transactions on IDA, Designated Accounts will be maintained in United States dollars with Bank of Uganda as the Main account. Transactions made from Bank of Uganda to Standard chartered operational accounts are maintained in UGX and US Dollar.

Since the Grant is received in USD dollar, all transactions translated in Ugx shall maintain a same rate at the time of executing the transaction until the funds are fully exhausted of that rate provided by Bank of Uganda.

ii) Local Currency

Where the project recognizes that some of the transactions may be effectively conducted in the local currency i.e. Uganda Shillings, the transaction values shall be translated into Dollars at the respective BoU exchange rates prevailing on the dates of those transactions. The resulting differences from the conversion and translation will be dealt with in the Sources and Uses of funds statement in the year in which they arise.

iii) Exchange differences – gains and losses

Whenever realized, exchange gains on the Designated Account will be the benefit of Government of Uganda. Similarly, Government of Uganda will meet any realized exchange losses.



MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY
